

Coldstream Mines Limited

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Six months ended June 30, 1975

(with comparative figures for 1974)
(unaudited)

SOURCES OF WORKING CAPITAL	1975	1974
CAPITAL		(Restated)
Reclassification of loans from associated companies	\$3,604,000	
Increase in long-term debt	839,000	\$ 891,000
Extraordinary income tax reductions		196,000
Proceeds on sale of investment		178,000
Dividends received from International Mogul Mines Limited		124,000
Issue of shares of subsidiaries to minority shareholders		81,000
Other		116,000
	<u>4,443,000</u>	<u>1,586,000</u>
USES OF WORKING CAPITAL		
From operations		
Loss before interests of minority shareholders and extraordinary item	823,000	247,000
Charges against income not involving working capital		
Equity in International Mogul Mines Limited	230,000	447,000
Depreciation and amortization	(361,000)	(217,000)
Deferred income taxes	73,000	
	<u>765,000</u>	<u>477,000</u>
Fixed assets	379,000	970,000
Reduction in long-term debt	69,000	165,000
Dividend paid by subsidiary to minority shareholder		24,000
Other	92,000	53,000
	<u>1,305,000</u>	<u>1,689,000</u>
Increase (decrease) in working capital position	3,138,000	(103,000)
Working capital deficiency at beginning of period	<u>5,402,000</u>	<u>2,297,000</u>
WORKING CAPITAL DEFICIENCY AT END OF PERIOD	<u>\$2,264,000</u>	<u>\$2,400,000</u>

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COLDSTREAM MINES
LIMITED

Interim Report

SIX MONTHS ENDED

JUNE 30, 1975

Coldstream Mines Limited

TO THE SHAREHOLDERS:

The consolidated net loss of the Company and its subsidiaries for the second quarter of 1975 amounted to \$0.09 per share and for the first six months the loss was \$0.17 per share. Comparable restated results for the first half of 1974 was a loss of \$0.01 per share.

The Company's principal asset continues to be its 40.3% interest in International Mogul Mines Limited whose earnings are accounted for on an equity basis. The Company's share of profits of International Mogul decreased from \$447,000 in the first six months of 1974 to \$230,000 during the same period of 1975. Enclosed for your information is the most recent interim report to shareholders covering the 1975 activities of International Mogul.

The marketing of a computer index system carried out by the Interscan Group of Companies in Europe showed a loss greater than budgeted during the first half of the year because of the currency losses. This group of companies normally incurs losses during the first six months of each year but the overall operations for this year will again be profitable.

It is anticipated that the expansion of its marketing efforts in the eastern European countries will smooth out this loss trend established over the past four years.

The facsimile transmission "Dex" operations in Canada and the United Kingdom continued at a loss during the year to date. These operations are being maintained as going concerns while at the same time management is actively pursuing their sale.

City Associated Enterprises Limited operated profitably during the first half of the year.

Management is continuing to investigate methods of reducing the debt of the Company and its subsidiaries. It is anticipated that these efforts will be successfully concluded over the next few months.

Yours respectfully,
D. W. KNIGHT,
Chairman of the Board.

August 25, 1975.

Coldstream Mines Limited

CONSOLIDATED STATEMENT OF INCOME

Six months ended June 30, 1975

(with comparative figures for 1974)
(unaudited)

	1975	1974 (Restated)
REVENUE		
Sales, rental, maintenance and other income	\$6,453,000	\$8,156,000
EXPENSES		
Cost of sales, supplies, maintenance, selling, general and administrative expenses	6,754,000	8,169,000
Depreciation and amortization	361,000	217,000
Interest on long-term debt and loans from associated companies	475,000	268,000
	7,590,000	8,654,000
	(1,137,000)	(498,000)
Equity in income of International Mogul Mines Limited	230,000	447,000
	(907,000)	(51,000)
Income taxes (recoverable)	(84,000)	196,000
Loss before interests of minority shareholders and extraordinary item	823,000	247,000
Interests of minority shareholders in losses of subsidiaries	314,000	30,000
LOSS BEFORE EXTRAORDINARY ITEM	509,000	217,000
Income tax reduction arising from application of losses of prior years		196,000
LOSS FOR THE PERIOD	\$ 509,000	\$ 21,000
LOSS PER SHARE		
Before extraordinary item	\$(0.17)	\$(0.07)
Loss for the period	\$(0.17)	\$(0.01)

NOTE:

The 1974 figures have been restated to include additional income taxes provided for by Mogul of Ireland Limited, a subsidiary of International Mogul Mines Limited whose results are accounted for by the company on an equity basis.